



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

January 19, 2008

Michael Marek, Owner/President
QPE Technical Institute
1557 N. Gemini Place
Anaheim, CA 92801

Dear Mr. Marek:

RE: FINAL MONITORING VISIT REPORT for QPE Technical Institute – ET07-0104

Date of the Visit:	01/09/08
Beginning/Ending Time of Visit:	9:15 a.m. – 11:45 a.m.
Date of Last Visit:	03/15/07
Visit Location:	Anaheim
Persons in attendance:	Michael Marek, Owner/President, QPE Technical Institute, Kris Marek, Director, QPE Technical Institute, Krista Campion, Contract Analyst, Employment Training Panel
Action Required:	No

CONTRACT INFORMATION

Term of Agreement:	7/17/06 – 07/16/08	Agreement Amount:	\$269,115
Training Start Date:	9/18/06	No. to Retain:	250
Date Training must be Completed:	4/16/08	Range of Hours:	24 – 180
Type of Trainee:	MEC Retrainee	Weighted Ave. Hours:	72

ACTION ITEMS REMAINING FROM THE PRIOR VISIT:

None

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www.etp.ca.gov
ETP (04/15/05)

FINAL REPORT SUMMARY

- **HISTORY OF AGREEMENT CHANGES**

The Agreement was executed on 7/27/06. Training commenced on this project on 9/18/06 and Ms. Marek confirmed that the last day of ETP training was 12/05/07, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – 7/16/08.

ETP approved two Agreement Modifications to the Agreement during the term of this project. Modification No. 1, executed on 6/11/07, redistributed the number of trainees between Job Numbers, and Modification No. 2, executed on 7/05/07, revised the range of training hours from 24 – 80 to 24 – 180.

- **INTERVIEW WITH THE SIGNATORY, MICHAEL MAREK, PRESIDENT OF QPE TECHNICAL INSTITUTE**

This Multiple Employer Contract (MEC) training project was designed to provide customized retraining for 250 retrainees in manufacturing technology in a variety of industries including aerospace, aircraft, computer technology, medical fields and electronics. The participating employers in this Agreement were primarily located in Orange County.

You reported that this training project benefited the participating employers by providing customized, CNC and CAD/CAM training for employees that upgraded the job skills of workers. You stated that the training was designed for manufacturers and that the industries served under this Agreement included medical, aerospace and aircraft industries. You also reported that although you did provide some training on-site at the employers' sites, most of the training was provided at your training center in Anaheim. The reason for this was because many small companies did not have the space or resources for training to be conducted at their work sites, and therefore, preferred to send their employees to QPE for retraining.

Therefore, you were only able to train 4 out of 35 retrainees in Job 2, which was designed for employers with less than 100 employees and where all training was conducted at the employers' sites. As a result, you will not earn the maximum Agreement amount (see projected earnings below).

Ms. Marek reported that she had no recordkeeping issues during the term of the Agreement and found the ETP on-line forms and class/lab tracking systems to be very helpful and were "user friendly".

PROJECT STATUS PROVIDED BY THE CONTRACTOR

Trainees Started Training:	205	Completed Training:	202
Trainees Enrolled:	207	Completed Retention:	*155
Dropped Following Enrollment:	5	In Retention Period:	47
No. Completed Minimum Reimbursable Hours:	202		

*The ETP Contract Status Report reflects 130 placements because QPE has yet to submit final placements invoices on 25 retrainees.

PROJECTED EARNINGS / NUMBER TO RETAIN

You confirmed that 202 retrainees (81 percent of planned trainees) have completed the minimum number of hours to qualify for reimbursement, which is consistent with the information in the ETP class/lab tracking system. The per trainee reimbursement for class/lab training is based on the total actual number of training hours completed for each trainee, provided the minimum (24) and no more than the maximum (180) class/lab training hours are completed, and all other Agreement terms and conditions are met.

The following are project statistics by Job Number gleaned from the ETP class/lab tracking system and from discussions with Ms. Marek during the visit:

Job Number	Number Enrolled in Training	Number of Trainees Dropped (following enrollment)	Number of Trainees Completed Minimum Hours	Number of Trainees Completed all Training (in Reten.)	Number of Trainees Completed Retention
1	200	2	198	198	155
2	7	3	4	4	0
Totals:	207	5	202	202	155

The 202 retrainees referenced above have completed from 24 to 148 hours of class/lab or AT training, for a grand total of 12,617.5 hours of training. This equates to a potential reimbursement, of \$189,502.5 assuming that all Agreement performance requirements are met. This amount is approximately 70 percent of the Agreement amount and more than the current encumbered amount. To date, QPE Technical Institute has been reimbursed a total of \$177,063 in progress payments, of which \$128,219 is considered earned for 130 retrainees.

ATTENDANCE ROSTERS

The Analyst randomly chose nine Job 1 and one Job 2 retrainees' attendance records to review who have all completed training in this Agreement. The review sample consisted of class/lab attendance documents completed during the period 6/25/07 – 12/05/07 in Manufacturing Skills and Advanced Technology. These retrainees have completed from 28 to 148 hours of class/lab training.

The Analyst compared the information in the ETP class/lab tracking system with the class/lab attendance rosters to ensure that all ETP required information was present as specified in Title 22, California Code of Regulations (CCR), Section 4442. A review of the aforementioned selected sample revealed that the records reviewed were in accordance with CCR 4442 and were consistent with information in the class/lab tracking system.

CLOSEOUT INVOICE

Ms. Campion advised your staff that the closeout invoice should be submitted to the ETP Fiscal Unit in Sacramento no later than 30 days after the end term date of the Agreement or 8/16/08. Ms. Marek reported that the final 47 retrainees will complete their retention period on 3/04/08; therefore, QPE plans to submit the closeout invoice on 3/15/08.

MULTIPLE-EMPLOYER CONTRACTS (RETRAIINEES)

Certification Statements (CS) – QPE has a total of 15 approved CS's on file for participating employers under this Agreement. The Analyst randomly reviewed nine of the 15 CS and found that each form had been completed and signed by company representatives. Ms. Marek maintains each CS in a binder alphabetically by the name of the participating employer.

AUDIT

You are advised that QPE Technical Institute will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment

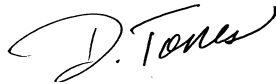
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information in this letter, please contact Ms. Campion at 619-686-1917, or at kcampion@etp.ca.gov, within ten (10) working days from the receipt date of this letter.

Sincerely,



Diana Torres, Manager
San Diego Regional Office



Krista Campion, Contract Analyst
San Diego Regional Office

cc: Master File
Project File